

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WEST MCCrackEN)	
WATER DISTRICT FOR A DEVIATION)	CASE NO. 94-457
FROM 807 KAR 5:066, SECTION 15(2))	

O R D E R

By letter received on November 28 1994, West McCracken Water District ("West McCracken") requested a deviation from 807 KAR 5:066, Section 15(2). This regulation requires that any meter removed from service for any cause, be tested for accuracy as specified therein prior to being placed in service.

In its letter West McCracken stated that it is not testing any meters that are removed from service which will not be reused. West McCracken also stated that it is a waste of money to spend \$8.00 to test a meter and receive only \$2.00 in salvage value at disposal.

Common reasons for requiring water meter testing are: to ensure that all customers are being treated fairly by the utilities; to ensure that all customers pay their fair share for the service provided; to reduce revenue loss to the utility; to monitor operational performance under meter warranty provisions; and to encourage water conservation. By far the most important of these from a public protection standpoint and for the Commission's purposes is to ensure that customers' bills are fair and accurate.

Customers of utilities expect and deserve a fair and accurate billing process which must include accurate meters. A complete and diligent meter testing effort does involve certain costs. However, such costs are far outweighed by the benefits of accurate meters and accurate billings, both of which greatly contribute to customer confidence in the utility. Any real or perceived monetary savings from decreasing the meter testing effort would not be sufficient justification to increase the possibility of undetected meter errors, which in turn could lead to customer billing errors. Testing anything less than 100 percent of the meters for "as-found" conditions would not adequately ensure the concept of fairness to West McCracken's customers.

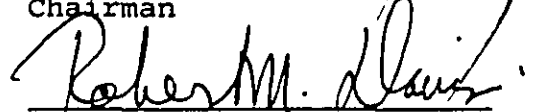
The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that West McCracken's request to deviate from 807 KAR 5:066, Section 15(2), should be denied.


IT IS THEREFORE ORDERED that West McCracken's request to deviate from 807 KAR 5:066, Section 15(2), be and it hereby is denied.

Done at Frankfort, Kentucky, this 9th day of February, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director